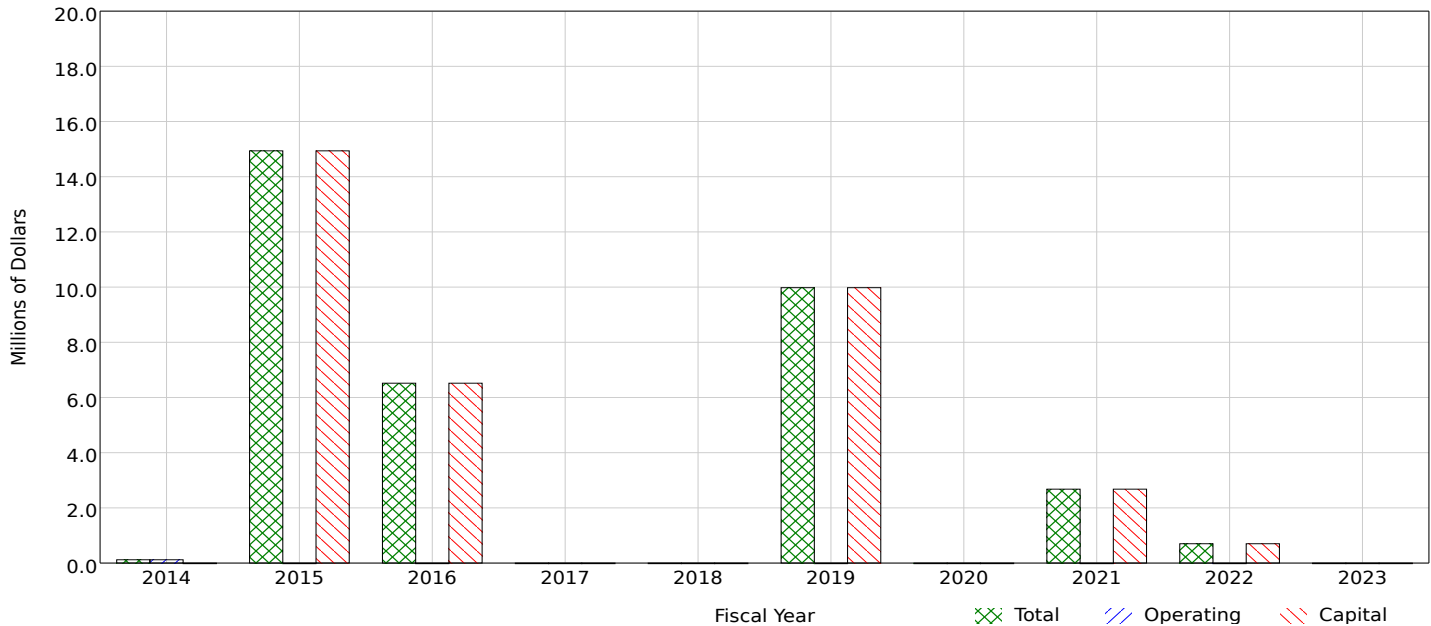# Fund Source Report

1112   IntAptCons   International Airports Construction Fund

Year Authorized	Year Repealed	Active?	Mental Health?	Duplicated?	Fund Group
1972		Yes	No	Yes	Bonds / Debt Service

Operating and Capital Appropriations

Legal Authority
AS 37.15.420

Source of Revenue
This capital projects fund consists of appropriations made by the legislature, interest earnings, proceeds from bond sales and grant or other money that is legally provided for the same purposes for which the bonds are authorized.

Restrictions on Use
Money in the construction fund shall be used to pay the cost of acquiring, equipping, constructing and installing additions and improvements to and extensions of and facilities for the airports and costs incidental thereto, including costs of the authorization, issuance and sale of bonds. Money may also be used to pay interest on bonds as stated in a bond resolution. Money may also be transferred to the bond redemption fund to establish a reserve.

Description and History
The International Airports Construction Fund holds the proceeds of revenue bonds as well as airport revenues or other money appropriated for construction purposes. The monies are withdrawn as needed to repay contractors for construction expenses. Consequently, it is a declining fund which eventually pays out all of its principal and income.

By January 1 of each year, the Commissioner of the Department of Transportation and Public Facilities shall submit to the legislature an annual spending plan and financial/performance report.

The objective of the investment policy of the fund is to maximize the return on the money while it is held in the fund without risking the principal or the presumed interest income.

The primary difference between this fund and the International Airports Revenue Fund (1027) is that the revenue fund receives all of the revenues from the ongoing operations of the international airports. Revenue Fund money is used to pay the continuing expenses of airport operations and the principal and interest payments on outstanding airport revenue bonds.

See
1027 International Airports Revenue Fund